Prosper Australia
Support equal ownership of natural resources
Private ownership of labour and most capital
Use natural resources as public tax base
1st Floor, 27 Hardware Lane
Melbourne 3001
Tel 03 9670 2754
http://www.taxreform.com.au
The Economics of Open Source

Definitions

“[B]ehaviour that arises from the scarcity of means to achieve a given end” (Lionel Robbins)

Microeconomics (the individual organisation)

Macroeconomics (the economy as a whole)

Public Knowledge (Open Source)

Restricted Knowledge (Proprietary)
Monopolies
Single sellers, No close substitutes, Price Makers, Blocked Entry
Example of Micro and Macro Effects
Land is “the mother of all monopolies” (Winston Churchill)
The Economics of Open Source

Competitive Markets
Many buyers and sellers (atomic), Many substitutes,
Price Takers, No Barriers,
Total Information
Productive and Allocative Efficiency
Software Patents
Microeconomic and Macroeconomic Perspectives
The Incentive Argument
"There are some new modern-day sort of communists who want to get rid of the incentive for musicians and moviemakers and software makers under various guises. They don't think that those incentives should exist... I'd be the first to say that the patent system can always be tuned...the United States has led...because we've had the best intellectual-property system."
(Bill Gates, 2005)
Software Copyright
Microeconomic and Macroeconomic Perspectives
The Incentive Argument

“the law's role is less and less to support creativity, and more and more to protect certain industries against competition. Just at the time digital technology could unleash an extraordinary range of commercial and noncommercial creativity, the law burdens this creativity with insanely complex and vague rules and with the threat of obscenely severe penalties.”
-- Lawrence Lessig, Free Culture
The Economics of Open Source

Role of Antitrust Legislation and Alternatives
Bid Rigging, Predatory Pricing, Price Fixing, Tying, Vendor Lock-In
The Microsoft Antitrust Suit
“Public Incentive” alternative

Prosper Australia
1st Floor, 27 Hardware Lane
Melbourne 3001 Tel 03 9670 2754
http://www.taxreform.com.au